

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1511 - HB 1445**

January 26, 2014

**SUMMARY OF BILL:** Defines a financially distressed emergency communications district to be one whose annual audit has a negative change in net position for a period of three consecutive years or has a deficit in total net position, rather than in the district's net assets. Replaces the term "net assets" with the term "net position" as it relates to the financial statements and operations of financially distressed emergency communications districts.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- According to the Office of the Comptroller of the Treasury (COT), the change in terminology is necessary due to Statement 63, issued by the Governmental Accounting Standards Board (GASB).
- Based on information provided by COT, the agency is responsible for ensuring emergency communications districts (ECDs) are audited and this change will ensure those audits are performed in compliance with the current requirements GASB. This change will not result in any significant fiscal impact to COT.
- According to the Department of Commerce and Insurance (C&I), all ECDs currently have annual audits conducted in accordance with GASB standards, and all costs associated with the audits will not be affected by the change in terminology. The provisions of this legislation will not result in any fiscal impact to ECDs or C&I.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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